

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 812**

Introduced by Bohlke, 33

Read first time January 20, 1999

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend section 79-808, Reissue  
2 Revised Statutes of Nebraska, and sections 79-757,  
3 79-759, 79-760, and 79-1003, Revised Statutes Supplement,  
4 1998; to change provisions of the Quality Education  
5 Accountability Act; to state intent; to provide for the  
6 School at the Center Program; to provide for assessments  
7 and evaluation; to appropriate funds; to change  
8 provisions relating to teacher and administrator  
9 certificates; to redefine a term; to harmonize  
10 provisions; and to repeal the original sections.  
11 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 79-757, Revised Statutes Supplement,  
2   1998, is amended to read:

3           79-757. Sections 79-757 to 79-762 and sections 2 to 5  
4 and 8 of this act shall be known and may be cited as the Quality  
5 Education Accountability Act.

6           Sec. 2. The Legislature finds that: (1) High standards  
7 for teaching and learning are keys to a quality education; (2) the  
8 public has a right to know how well public school students in  
9 Nebraska public schools are learning and how well public schools  
10 are teaching children; (3) all Nebraska public schools should be  
11 engaged in continuous renewal through the implementation of  
12 standards, assessment, and accountability; (4) implementation of  
13 Nebraska standards is an excellent foundation for the renewal of  
14 Nebraska's public schools; (5) Nebraska standards are the  
15 foundation for the assessment and reporting of public school  
16 student achievement in reading, writing, mathematics, science,  
17 social studies, and history; and (6) implementation of Nebraska  
18 standards will require resources to support the professional  
19 development of public school teachers and to maximize the financial  
20 resources available through federal programs and through  
21 educational service units.

22           Sec. 3. (1) The State Department of Education shall  
23 coordinate all the programs and services provided for in the  
24 Quality Education Accountability Act. The department shall work  
25 with public schools, educational service units, teacher education  
26 programs, communities, professional associations, and other private  
27 entities to provide the necessary professional development,  
28 training, and other support services for public school teachers and

1 administrators throughout the state.

2           (2) The State Board of Education shall provide direction  
3 for the coordination of programs and services by approving a  
4 standards implementation plan and an application process for the  
5 distribution of funds pursuant to this section. The application  
6 process shall require such information as the board deems necessary  
7 and shall permit the electronic filing of applications using a  
8 statewide public computer information network. Educational service  
9 units may apply for funds on behalf of a consortium of school  
10 districts. For purposes of this subsection, standards  
11 implementation includes those components determined by the  
12 department which shall include, but need not be limited to,  
13 development of local standards and assessment, alignment of local  
14 curriculum with standards, development of local measures for the  
15 assessment of student learning aligned with standards, and the  
16 development of innovative approaches to the reporting of learning  
17 results to parents and the public.

18           (3) It is the intent of the Legislature to appropriate  
19 (a) for FY1999-2000, three million dollars and (b) for FY2000-01,  
20 three million dollars, to the State Department of Education for the  
21 purposes of providing time for public school teachers and  
22 administrators to receive professional development and training in  
23 the implementation of standards according to the standards  
24 implementation plan approved by the State Board of Education. The  
25 department shall distribute funds appropriated pursuant to this  
26 section to public schools based upon the standards implementation  
27 plan and based upon a local standards implementation plan for the  
28 use of the funds in providing stipends for extended time outside

1 the regular contract for public school teachers and administrators  
2 to participate in professional development activities or other  
3 activities related to implementation of standards and assessment.  
4 Priority shall be given to applications that make maximum use of  
5 available resources, that include provisions for support of the  
6 plan through local resources, that include collaboration with  
7 educational service units, that include working with other school  
8 districts as a consortium, that use the principles of quality  
9 adopted by the State Board of Education for the professional  
10 development of educators, and that provide a means of evaluation of  
11 the results of the activity. Any funds received by school  
12 districts pursuant to the section are special grant funds as  
13 defined in section 79-1003.

14           Sec. 4. For purposes of sections 4 and 5 of this act:

15           (1) Community-based education means the use of the local  
16 community as the basis for the curriculum;

17           (2) Department means the State Department of Education;

18           (3) Evaluation of the effectiveness of community-based  
19 education means assessing the relationship of education to the  
20 economic and cultural health of the community;

21           (4) Operating costs means the costs associated with  
22 administration of the program, providing teacher training,  
23 facilitating network development, and facilitating joint  
24 community-school improvement planning; and

25           (5) Program means the School at the Center Program.

26           Sec. 5. (1) The School at the Center Program is created.  
27 The purposes of the program are to: (a) Better assure that rural  
28 community schools meet the individual needs and develop the skills

1 of Nebraska students to be effective participants in the civic,  
2 cultural, and economic life of their rural community; (b) connect  
3 community improvement plans and school improvement plans that are  
4 consistent with the standards adopted by the State Board of  
5 Education; and (c) develop clusters of rural community public  
6 schools to provide community-based education consistent with  
7 locally adopted standards for learning and the standards adopted by  
8 the State Board of Education.

9       (2) The department shall act as fiscal agent for the  
10 program and may contract as necessary. It is the intent of the  
11 Legislature to appropriate to the department (a) two hundred  
12 thousand dollars for FY1999-2000 and (b) two hundred thousand  
13 dollars for FY2000-01, for the program.

14       (3) The department shall submit an annual report to the  
15 Governor, the Legislature, and the State Board of Education on or  
16 before December 1. The report shall include, but need not be  
17 limited to, a description of the demand for the program, a listing  
18 of rural community public schools participating in the program, the  
19 impact of community-based education on community development, and  
20 an evaluation of the program's performance based upon documented  
21 goals of rural community public schools.

22       (4) The State Board of Education shall adopt and  
23 promulgate rules and regulations to carry out the program.

24       Sec. 6.     Section 79-759, Revised Statutes Supplement,  
25 1998, is amended to read:

26               79-759.     The School Finance Review Committee with  
27 ~~assistance from the~~ State Department of Education shall contract  
28 with a national accounting firm to complete a feasibility study and

1 ~~make recommendations for a needs assessment and cost analysis~~  
2 ~~relative to a state-level education financial reporting system for~~  
3 all kindergarten through grade twelve local systems as defined in  
4 section 79-1003 and report to the Education Committee of the  
5 Legislature by December 1, 1999. It is the intent of the  
6 Legislature to appropriate one hundred fifty thousand dollars to  
7 the State Department of Education for FY1999-2000 for the needs  
8 assessment and cost analysis. The needs assessment and cost  
9 analysis shall address requirements to update the department's data  
10 collection and data reporting to create a financial reporting  
11 system. ~~December 1, 1998.~~ The financial reporting system shall:

12 (1) Provide for standardization and uniformity in the  
13 classification of all receipts and expenditures as a basis for  
14 preparing financial reports;

15 (2) Report all receipts and disbursements to the public  
16 and the department in a consistent format that easily explains to  
17 taxpayers how education funds are spent and where the funds are  
18 generated for the state, each local system, and each attendance  
19 center;

20 (3) Be adaptable to changing requests for information;

21 (4) Be provided in an electronic format;

22 (5) Provide for the inclusion of Class I school district  
23 data with the data of its primary high school district in a manner  
24 which allows for analysis of the data for the Class I district and  
25 the primary high school district separately and as an aggregate;

26 (6) Provide for electronic filing of reports with the  
27 department and the Auditor of Public Accounts;

28 (7) Provide for electronic access to reports as filed;

1 and

2 (8) Maintain compatibility with existing accounting  
3 systems.

4 The completed needs assessment and cost analysis shall  
5 identify the education financial reporting needs of (a) the general  
6 public, including school patrons, taxpayer organizations, and  
7 business representatives, (b) the Legislature, (c) the Governor,  
8 (d) the State Department of Education, (e) the news media, (f)  
9 school districts and educational service units, (g) the United  
10 States Government, and (h) professional organizations. A review of  
11 current national efforts to redesign education financial reporting  
12 systems in other states shall be included. Specific steps to  
13 complete the process of implementing a financial reporting system  
14 that meets the criteria specified in this section shall be the main  
15 goal of the needs assessment and cost analysis. When practical,  
16 the cost analysis shall break out costs for different components  
17 and alternatives. If time and resources permit, the needs  
18 assessment and cost analysis shall also examine the relationship of  
19 education financial data to other state-level education data,  
20 including, but not limited to, student data, facilities data, and  
21 transportation data.

22 Sec. 7. Section 79-760, Revised Statutes Supplement,  
23 1998, is amended to read:

24 79-760. (1) The State Board of Education shall implement  
25 a statewide system for the assessment of student learning and for  
26 reporting the performance of school districts. The assessment and  
27 reporting system shall be aligned with the standards approved by  
28 the board. The board shall adopt an assessment and reporting plan

1 and begin implementation of the assessment and reporting system in  
2 the 1999-2000 school year. assessment program for students in a  
3 selected grade in each of the grade ranges four through six, seven  
4 through nine, and ten through twelve each fall semester beginning  
5 with the fall semester of 2000. The assessment program shall  
6 consist of one assessment purchased from an assessment service for  
7 each selected grade which tests students in the areas of  
8 mathematics, reading, science, and social studies, plus one writing  
9 assessment, either developed within the state by educators with  
10 expertise in writing assessment or purchased as a part of the  
11 assessment for the other specified subjects.

12 (2) The purposes of the assessment program and reporting  
13 system are to:

14 (a) Determine how well public schools are performing in  
15 terms of the learning of public school students related to the  
16 approved standards;

17 (b) Report the performance of public schools based upon  
18 the results of the assessment;

19 (c) Provide information for the public and policymakers  
20 on the performance of public schools; and

21 (d) Provide for the comparison of Nebraska public schools  
22 to their peers and to school systems of other states and other  
23 countries.

24 (3) The assessment and reporting plan shall include all  
25 public schools and all public school students. The board shall  
26 adopt criteria for the inclusion of students with disabilities,  
27 students entering the school for the first time, and students with  
28 limited English proficiency.



1           (4) The assessment and reporting plan shall provide for  
2 the confidentiality of the individual students. Evaluate whether  
3 or not students in a school system have acquired skills and  
4 knowledge which allow them to meet or exceed academic standards  
5 established by the state board;

6           (b) Measure progress of students in a school system  
7 toward meeting academic standards established by the state board;

8           (c) Provide information for analysis of adopted standards  
9 and consideration of new standards;

10          (d) Allow comparisons to be made between the academic  
11 achievement of students in a local system and students in another  
12 Nebraska local system; and

13          (e) Allow comparisons to be made between the academic  
14 achievement of Nebraska students with the academic achievement of  
15 students in other states.

16          (3) All public school districts shall participate in the  
17 assessment, and all students enrolled in the designated grade  
18 levels in such districts shall be assessed except as provided in  
19 this subsection. The state board shall establish criteria that  
20 schools may use to exempt special education students from  
21 assessment in any or all subject areas. The state board may also  
22 adopt alternative assessments or means of scoring for special  
23 education students and students with limited English proficiency.

24          (4) The individual assessment scores shall be  
25 confidential, shall be reported to the school district for  
26 educational purposes, and shall not be reported to the State  
27 Department of Education. Aggregate results for each school  
28 district shall be reported to the department by the assessment

1 ~~service and writing assessment scorers. School districts may also~~  
2 ~~make aggregate data available based on attendance centers.~~

3 ~~(5) The department shall be responsible for the cost of~~  
4 ~~the assessment materials and scoring.~~

5 Sec. 8. For implementation of the Quality Education  
6 Accountability Act, it is the intent of the Legislature to  
7 appropriate two million four hundred fifty thousand dollars for  
8 FY1999-2000 and two million four hundred fifty thousand dollars for  
9 FY2000-01, to be used as follows:

10 (1) Three hundred fifty thousand dollars in each fiscal  
11 year for assisting school districts, collecting assessment  
12 information, data processing of the information received from  
13 districts, and preparing the annual state of schools report; and

14 (2) Two million one hundred thousand dollars in each  
15 fiscal year to support school districts with an approved assessment  
16 plan in an amount up to thirty dollars per student to be assessed  
17 pursuant to the plan in that fiscal year, to purchase or create  
18 assessment materials, to provide professional development for  
19 educators in the implementation of assessments, or to provide  
20 incentives for participation of national assessment data.

21 Sec. 9. Section 79-808, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 79-808. (1) The board shall establish, adopt, and  
24 promulgate appropriate rules, regulations, and procedures governing  
25 the issuance, renewal, conversion, revival, cancellation,  
26 suspension, and revocation of certificates and permits to teach,  
27 counsel, supervise, and administer in all elementary and secondary  
28 schools in this state based upon (a) earned college credit in

1 humanities, social and natural sciences, mathematics, and practical  
2 arts, (b) earned college credit, or its equivalent in professional  
3 education, for particular teaching, counseling, supervisory, or  
4 administrative assignments, (c) scholarship attained in earning  
5 such credit, (d) training in human relations, which requirement  
6 shall apply to the issuance of first certificates or permits issued  
7 after January 1, 1990, and to the issuance of renewal certificates  
8 or permits issued after January 1, 1993, (e) successful teaching,  
9 and (f) moral, mental, and physical fitness for teaching, all in  
10 accordance with sound educational practices.

11           ~~(2)(a)~~ (2) The board shall establish or designate basic  
12 skills competency examinations for prospective ~~teachers~~ applicants  
13 for a certificate or permit. The examinations shall measure  
14 competency in the written use of the English language, competency  
15 to read, comprehend, and interpret professional writing and other  
16 written materials, and competency to work with fundamental  
17 mathematical computations.

18           ~~(b)~~ No candidate applying for an entry-level teacher or  
19 administrator certificate after July 31, 1989, shall receive a  
20 certificate unless such candidate has received a satisfactory score  
21 on the basic skills competency examinations established or  
22 designated by the board, except that the board may issue a  
23 temporary certificate to any teacher or administrator who is first  
24 employed in a Nebraska school after April 1 of any year and who  
25 meets all other requirements but has not taken or received a  
26 satisfactory score on the examinations. The temporary certificate  
27 shall be valid only for the ensuing school year and may be renewed  
28 for one additional year. Each Nebraska teacher education

1 institution approved by the board shall administer the basic skills  
2 competency examinations as a condition for entry into such  
3 institution's teacher or administrator program. The State  
4 Department of Education shall administer, at a time and place  
5 designated by the commissioner, the examinations for teachers and  
6 administrators being recommended for certification from outside of  
7 Nebraska and for prospective teachers and administrators who have  
8 not matriculated in or completed a teacher training program.

9 (c) The board may issue a temporary certificate, valid  
10 for a period not to exceed two years, to any applicant for  
11 certification who has not completed the human relations training  
12 requirement pursuant to subdivision (1)(d) of this section or the  
13 special education competencies requirement specified in section  
14 79-816. No applicant for certification shall receive any manner of  
15 temporary certification which exceeds two years in duration. The  
16 board may also issue such temporary certification, valid for not  
17 more than two years, pursuant to the Interstate Agreement on  
18 Qualification of Educational Personnel found in section 79-893.

19 (d) The board may issue substitute teaching certificates  
20 or permits in the absence of training in human relations required  
21 pursuant to subdivision (1)(d) of this section, the basic skills  
22 competency examinations required pursuant to subdivision (2)(b) of  
23 this section, or the special education competencies requirement  
24 specified in section 79-816.

25 (3) The board may adopt and promulgate rules and  
26 regulations for the issuance of specific certificates or permits to  
27 applicants to teach, counsel, supervise, or administer in schools  
28 on a limited basis. Such rules and regulations may provide for the

1 issuance of specific certificates and permits which do not include  
2 all of the statutory requirements for issuance of other  
3 certificates or permits.

4 (4) The board shall conduct a program beginning September  
5 1, 1999, and ending December 31, 2001, using one or more validated  
6 tests to determine the knowledge and skills of graduating students  
7 and of postsecondary education instructors in Nebraska standard  
8 institutions of higher education having programs approved by the  
9 board. Graduating students and such instructors teaching classes  
10 in education methodology shall participate in the program. The  
11 board shall report to the Legislature by December 1, 1999, and each  
12 December 1 thereafter through December 1, 2001, on the progress and  
13 results of the program. It is the intent of the Legislature to  
14 appropriate (a) for FY1999-2000, two hundred seventy-five thousand  
15 dollars, (b) for FY2000-01, two hundred seventy-five thousand  
16 dollars, and (c) for FY2001-02, one hundred thirty-eight thousand  
17 dollars, to the State Board of Education, to fund the program  
18 conducted pursuant to this subsection.

19 (5) Members of any advisory committee established by the  
20 board to assist the board in teacher certification matters shall be  
21 reimbursed for their actual and necessary expenses as provided in  
22 sections 81-1174 to 81-1177. Each school district which has an  
23 employee who serves as a member of such committee and which is  
24 required to hire a person to replace such member during the  
25 member's attendance at meetings or activities of the committee or  
26 any subcommittee thereof shall be reimbursed from the General Fund  
27 for the expense it incurs from hiring a replacement. School  
28 districts may excuse employees who serve on such advisory

1 committees from certain duties which conflict with any advisory  
2 committee duties.

3           Sec. 10. Section 79-1003, Revised Statutes Supplement,  
4 1998, is amended to read:

5           79-1003. For purposes of the Tax Equity and Educational  
6 Opportunities Support Act:

7           (1) Adjusted general fund operating expenditures means  
8 general fund operating expenditures as calculated pursuant to  
9 subdivision (21) of this section minus the transportation allowance  
10 and, for purposes of state aid paid in school fiscal year 1998-99  
11 and each school fiscal year thereafter, minus the special education  
12 allowance;

13           (2) Adjusted valuation means the assessed valuation of  
14 taxable property of each district in the state, for school fiscal  
15 years before school fiscal year 1998-99, and of each local system  
16 in the state, for school fiscal year 1998-99 and each school fiscal  
17 year thereafter, adjusted pursuant to the adjustment factors  
18 described in section 79-1016. Adjusted valuation means the  
19 adjusted valuation for the property tax year ending during the  
20 school fiscal year immediately preceding the school fiscal year in  
21 which the aid based upon that value is to be paid. For purposes of  
22 determining the local effort rate yield pursuant to section  
23 79-1015.01, adjusted valuation does not include the value of any  
24 property which a court, by a final judgment from which no appeal is  
25 taken, has declared to be nontaxable or exempt from taxation;

26           (3) Allocated income tax funds means the amount of  
27 assistance paid to a local system pursuant to section 79-1005.01 as  
28 adjusted by the minimum levy adjustment pursuant to section

1 79-1008.02;

2 (4) Average daily attendance of a student who resides on  
3 Indian land means average daily attendance of a student who resides  
4 on Indian land from the most recent data available on November 1  
5 preceding the school fiscal year in which aid is to be paid;

6 (5) Average daily membership means the average daily  
7 membership for grades kindergarten through twelve attributable to  
8 the district for school fiscal years before school fiscal year  
9 1998-99, and for school fiscal year 1998-99 and each school fiscal  
10 year thereafter, attributable to the local system, as provided in  
11 each district's annual statistical summary and includes the  
12 proportionate share of students enrolled in a public school  
13 instructional program on less than a full-time basis;

14 (6) Base fiscal year means (a) for school district  
15 reorganizations which occurred during the 1995-96 school fiscal  
16 year or the 1996-97 school fiscal year, the second school fiscal  
17 year following the school fiscal year in which the reorganization  
18 occurred or (b) for school district reorganizations or unifications  
19 which occur during or after the 1997-98 school fiscal year, the  
20 first school fiscal year following the school fiscal year in which  
21 the reorganization or unification occurred;

22 (7) Board means the school board of each school district;

23 (8) Categorical funds means funds limited to a specific  
24 purpose by federal or state law, including, but not limited to,  
25 Title I funds, Title VI funds, federal vocational education funds,  
26 federal school lunch funds, Indian education funds, Head Start  
27 funds, funds from the Education Innovation Fund, and funds from the  
28 School Technology Fund;

1           (9) Consolidate means to voluntarily reduce the number of  
2 school districts providing education to a grade group and does not  
3 include dissolution pursuant to section 79-498;

4           (10) Department means the State Department of Education;

5           (11) District means any Class I, II, III, IV, V, or VI  
6 school district;

7           (12) Ensuing school fiscal year means the school fiscal  
8 year following the current school fiscal year;

9           (13) Equalization aid means the amount of assistance  
10 calculated to be paid to a local system pursuant to sections  
11 79-1008.01 to 79-1022;

12           (14) Fall membership means the total membership in  
13 kindergarten through grade twelve attributable to the district for  
14 school fiscal years before school fiscal year 1998-99, and for  
15 school fiscal year 1998-99 and each school fiscal year thereafter,  
16 attributable to the local system, as reported on the fall school  
17 district membership reports for each district pursuant to section  
18 79-528;

19           (15) Fiscal year means the state fiscal year which is the  
20 period from July 1 to the following June 30;

21           (16) Formula students means (a) for state aid certified  
22 pursuant to section 79-1022, the sum of fall membership from the  
23 school fiscal year immediately preceding the school fiscal year in  
24 which the aid is to be paid, multiplied by the average ratio of  
25 average daily membership to fall membership for the second school  
26 fiscal year immediately preceding the school fiscal year in which  
27 aid is to be paid and the prior two school fiscal years, and  
28 tuitioned students from the school fiscal year immediately



1 preceding the school fiscal year in which the aid is to be paid and  
2 (b) for final calculation of state aid pursuant to section 79-1065,  
3 the sum of average daily membership and tuitioned students from the  
4 school fiscal year immediately preceding the school fiscal year in  
5 which the aid was paid;

6 (17) Free lunch and free milk student means a student who  
7 qualified for free lunches or free milk from the most recent data  
8 available on November 1 of the school fiscal year immediately  
9 preceding the school fiscal year in which aid is to be paid;

10 (18) Full-day kindergarten means kindergarten offered by  
11 a district for at least one thousand thirty-two instructional  
12 hours;

13 (19) General fund budget of expenditures means the total  
14 budgeted expenditures for general fund purposes as certified in the  
15 budget statement adopted pursuant to the Nebraska Budget Act,  
16 except that for purposes of the limitation imposed in section  
17 79-1023 and the calculation of Class I total allowable general fund  
18 budget of expenditures minus the special education budget of  
19 expenditures pursuant to section 79-1083.03, the general fund  
20 budget of expenditures does not include any special grant funds,  
21 exclusive of local matching funds, received by a district subject  
22 to the approval of the department;

23 (20) General fund expenditures means all expenditures  
24 from the general fund;

25 (21) General fund operating expenditures means the total  
26 general fund expenditures minus categorical funds, tuition paid,  
27 transportation fees paid to other districts, adult education,  
28 summer school, community services, redemption of the principal

1 portion of general fund debt service, and transfers from other  
2 funds into the general fund. For state aid certified pursuant to  
3 section 79-1022 and budget limitations certified pursuant to  
4 section 79-1026 for school fiscal year 1998-99 and each school  
5 fiscal year thereafter, general fund operating expenditures shall  
6 equal the general fund operating expenditures from the most  
7 recently available complete data year, adjusted by the average  
8 annual change in each district's general fund operating  
9 expenditures for the most recently available complete data year and  
10 the two school fiscal years immediately preceding the most recently  
11 available complete data year. For final calculation of state aid  
12 pursuant to section 79-1065, general fund operating expenditures  
13 shall be as reported in the annual financial reports from the most  
14 recently available complete data year;

15 (22) Income tax liability means the amount of the  
16 reported income tax liability for resident individuals pursuant to  
17 the Nebraska Revenue Act of 1967 less all nonrefundable credits  
18 earned and refunds made;

19 (23) Income tax receipts means the amount of income tax  
20 collected pursuant to the Nebraska Revenue Act of 1967 less all  
21 nonrefundable credits earned and refunds made;

22 (24) High school district means a school district  
23 providing instruction in at least grades nine through twelve;

24 (25) Limited English proficiency student means a student  
25 with limited English proficiency from the most recent data  
26 available on November 1 of the school fiscal year preceding the  
27 school fiscal year in which aid is to be paid;

28 (26) Local system means a Class VI district and the

1 associated Class I districts or a Class II, III, IV, or V district  
2 and any affiliated Class I districts or portions of Class I  
3 districts. The membership, expenditures, and resources of Class I  
4 districts that are affiliated with multiple high school districts  
5 will be attributed to local systems based on the percent of the  
6 Class I valuation that is affiliated with each high school  
7 district;

8 (27) Low-income child means a child under nineteen years  
9 of age living in a household having an annual adjusted gross income  
10 of fifteen thousand dollars or less for the second calendar year  
11 preceding the beginning of the school fiscal year for which aid is  
12 being calculated;

13 (28) Most recently available complete data year means the  
14 most recent single school fiscal year for which the annual  
15 financial report, fall school district membership report, annual  
16 statistical summary, Nebraska income tax liability by school  
17 district for the calendar year in which the majority of the school  
18 fiscal year falls, and adjusted valuation data are available;

19 (29) Regular route transportation means the  
20 transportation of students on regularly scheduled daily routes to  
21 and from the attendance center;

22 (30) Reorganized district means any district involved in  
23 a consolidation and currently educating students following  
24 consolidation;

25 (31) School year or school fiscal year means the fiscal  
26 year of a school district as defined in section 79-1091;

27 (32) Special education means specially designed  
28 kindergarten through grade twelve instruction pursuant to section

1 79-1125, and includes special education transportation;

2 (33) Special education allowance means the amount of  
3 special education, state ward, and accelerated or differentiated  
4 curriculum program receipts included in local system formula  
5 resources under subdivisions (7), (8), (16), and (17) of section  
6 79-1018.01. For state aid certified pursuant to section 79-1022,  
7 the special education allowance shall be adjusted by the average  
8 annual change in each district's special education allowance for  
9 the most recently available complete data year and the two school  
10 fiscal years immediately preceding the most recently available  
11 complete data year. For the final calculation of state aid  
12 pursuant to section 79-1065, the special education allowance shall  
13 be as reported in the annual financial reports from the most  
14 recently available complete data year;

15 (34) Special grant funds means the budgeted receipts for  
16 grants, including, but not limited to, Title I funds, Title VI  
17 funds, funds from the Education Innovation Fund, funds received  
18 pursuant to section 3 of this act, interfund loans, insurance  
19 settlements, and reimbursements to county government for previous  
20 overpayment, that have been approved by the state board;

21 (35) State aid means the amount of assistance paid to a  
22 district pursuant to the Tax Equity and Educational Opportunities  
23 Support Act;

24 (36) State board means the State Board of Education;

25 (37) State support means all funds provided to districts  
26 by the State of Nebraska for the general fund support of elementary  
27 and secondary education;

28 (38)(a) Transportation allowance means the lesser of (i)

1 the general fund expenditures for regular route transportation and  
2 in lieu of transportation expenditures pursuant to section 79-611  
3 in the most recently available complete data year, but not  
4 including special education transportation expenditures or other  
5 expenditures previously excluded from general fund operating  
6 expenditures, except that for state aid certified pursuant to  
7 section 79-1022 and budget limitations certified pursuant to  
8 section 79-1026, the general fund operating expenditures for  
9 regular route transportation and in lieu of transportation  
10 expenditures shall equal such expenditures from the most recently  
11 available complete data year, adjusted by the average annual change  
12 in each district's such expenditures for the most recently  
13 available complete data year and the two school years immediately  
14 preceding the most recently available complete data year or (ii)  
15 the number of miles traveled in the most recently available  
16 complete data year by vehicles owned, leased, or contracted by the  
17 district for the purpose of regular route transportation multiplied  
18 by four hundred percent of the mileage rate established by the  
19 Department of Administrative Services pursuant to section 81-1176  
20 as of January 1 of the most recently available complete data year  
21 added to in lieu of transportation expenditures pursuant to section  
22 79-611 from the same data year or, for state aid certified pursuant  
23 to section 79-1022 and budget limitations certified pursuant to  
24 section 79-1026, the in lieu of transportation expenditures for  
25 this subdivision shall equal such expenditures from the most  
26 recently available complete data year, adjusted by the average  
27 annual change in each district's such expenditures for the most  
28 recently available complete data year and the two school fiscal

1 years immediately preceding the most recently available complete  
2 data year.

3 (b) For the final calculation of state aid pursuant to  
4 section 79-1065, the transportation allowance shall be the lesser  
5 of (i) the general fund expenditures for regular route  
6 transportation and in lieu of transportation expenditures pursuant  
7 to section 79-611 as reported in the annual financial reports from  
8 the most recently available complete data year, but not including  
9 special education transportation expenditures or other expenditures  
10 previously excluded from general fund operating expenditures, or  
11 (ii) the number of miles traveled in the most recently available  
12 complete data year by vehicles owned, leased, or contracted by the  
13 district for the purpose of regular route transportation multiplied  
14 by four hundred percent of the mileage rate established by the  
15 Department of Administrative Services pursuant to section 81-1176  
16 as of January 1 of the most recently available complete data year  
17 added to in lieu of transportation expenditures pursuant to section  
18 79-611 from the same data year; and

19 (39) Tuitioned students means students in kindergarten  
20 through grade twelve of the district whose tuition is paid by the  
21 district to some other district or education agency.

22 Sec. 11. Original section 79-808, Reissue Revised  
23 Statutes of Nebraska, and sections 79-757, 79-759, 79-760, and  
24 79-1003, Revised Statutes Supplement, 1998, are repealed.